

Message

---

**From:** Patrick Holert [patrick.holert@celsius.network]  
on behalf of Patrick Holert <patrick.holert@celsius.network> [patrick.holert@celsius.network]  
**Sent:** 11/24/2020 12:20:12 AM  
**To:** Roni Pavon [roni@celsius.network]  
**Subject:** Re: Closing on loans

Hi Roni:

I am sure that your daughter is going to bring a lot of good luck to Celsius, and hope she is healthy.

Best,

Patrick

On Mon, Nov 23, 2020 at 6:56 PM <roni@celsius.network> wrote:

Any update here?

Sent from my iPhone

On 23 Nov 2020, at 5:29, Patrick Holert <patrick.holert@celsius.network> wrote:

These loans were made long before I joined Celsius. Our exposure to Iterative is BTC 450, and after we called back BTC 250, I will be talking with them in the morning at 9AM EST. Definitely let me know if you would like to join.

For JST, our exposure is BTC 135.7 and ETH 4,901.96. We have called back everything on Friday, and are waiting to hear from them on Monday.

Best,

Patrick

On Sun, Nov 22, 2020 at 7:35 PM <roni@celsius.network> wrote:

What's our exposure with these loans? Don't we have a collateral for them? Have you asked someone to send you the signed agreements?

Thx

Roni

---

**From:** Patrick Holert <patrick.holert@celsius.network>

**Sent:** Saturday, November 21, 2020 3:33 AM

**To:** Alex Mashinsky <alex@celsius.network>; Roni Pavon <roni@celsius.network>; Harumi Urata-

Thompson <harumi@celsius.network>; Jeremie Beaudry <jeremie.beaudry@celsius.network>  
**Subject:** Closing on loans

Hi Alex / Roni:

**Iterative.** Yesterday morning, Connor sent notice that we are closing on the BTC 250 loan to Iterative. However, they have not yet responded, which now puts them in default of the loan. If they are defaulting on this loan, I believe that they will also default on their BTC 200 loan. I assume that Chris Dannen has not responded to Alex's voice message yesterday, and he did not pick up my call today. Jason is trying to connect with his contact at the company, Brian Ma, but he also has not responded. Additionally, I have emailed Chris and Brandon Buchanan, asking them to call me, but neither has yet responded.

**JST.** Today, Conner emailed notice to Scott Freeman and Dusty Granet that we are closing on their BTC and ETH loans. Previously, I had told Connor to only close the ETH loan for now, but since he sent the notice on both, I do not want to reverse this. Like Iterative, they have not responded.

**Cover with Grayscale.** To cover any potential losses on these coins, I suggest that we earmark capital gains from selling positions in the GBTC and ETHE funds at Grayscale. Through these positions, we already have a natural hedge on rising prices for BTC and ETH, and can easily cover the lost coins from a portion of our trading gains. At present premiums, we will be able to cover all ETH losses, and about one-third of the BTC losses in January. In May, we would be able to cover the remaining BTC losses.

<b>Legal actions.</b>	<b>Redacted</b>
<b>Redacted</b>	

Best,

<~WRD2169.jpg>

**Patrick Holert, CFA, CAIA, ERP**

**Financial Risk Officer | Celsius**

phone: 818-324-0270

--



**Patrick Holert, CFA, CAIA, ERP**  
Financial Risk Officer | Celsius

phone: 818-324-0270



**Patrick Holert, CFA, CAIA, ERP**  
Financial Risk Officer | Celsius

phone: 818-324-0270